

8. Project summary

This project is about offshoring in the textile industry, focusing in the rights violated in this process, this concept can be defined as the moving of various operations of a company to another country for reasons such as lower labor costs or more favorable economic conditions in that other country.

The project describes the evolution of offshoring, which started in 1960's and has continued since then; it was characterized primarily by the transferring of factories from the developed to the developing world. This process of offshoring and closing of factories has caused a structural change in the developed world from an industrial to a post-industrial service society, and also in the developing world.

The main advantages and disadvantages of this process are also covered in this project, these advantages and disadvantages of offshoring jobs can vary depending on the perspective from which the issue is viewed. On one hand for workers in poorer countries, it can open up opportunities that may not be available from domestic sources; however, on other hand this also tends to mean that there is a loss of opportunities in the nation where the jobs are generated.

The project also studies the main destinations in the offshoring processes, which unlike most people's opinion takes place in a large number of countries, not only in Southeast Asia, in countries like India or China, but also in east Europe, South America or North Africa. The main reasons for which companies decide to relocate their production in those countries is also explained, focusing in 3 countries Bangladesh, Vietnam and India, which are the most important countries in relation with offshoring in textile industry.

In this project the code of conduct of H&M and Inditex are dissected, during the different processes of production both companies do not fulfill their own code of conduct, they have been involved in not a few scandals, where is clearly shown that their code of conduct was not accomplished. These scandals were mainly related about child labour and environment.

Not only their code of conduct was not accomplished for these two companies, there have even been different cases where human rights were violated, particularly the article number 4 and article number 23, related the first one with slavery and servitude rights and related with right of workers the second one.

As is explained in the project, this violation of their code of conduct and some of the articles of the Human Rights, have been violated for these two companies although they have different ways to execute the process of offshoring.

Finally the reaction to these problems of these 2 companies is explained, they are carrying out different actions to improve this situation (supporting and working hand by hand with NGOs in order to improve worker's situation, investing to improve the workplace etc...)

Numerous NGOs have emerged trying to solve these problems related with offshoring, such as working conditions, respect for the environment, child labor... the significant work of these NGOs is also explained.

9. Conclusion

- Offshoring in textiles and clothing industries is important in economic and social terms, in the short-run by providing incomes, jobs, especially for women, and foreign currency receipts and in the long-run by providing countries the opportunity for sustained economic development in those countries with appropriate policies and institutions to enhance the dynamic effects of textiles and clothing.
- Companies can save significant amounts of money by offshoring jobs. In many cases, they are able to access labor much more cheaply. Certain materials may also be cheaper, especially if they are domestic products in the nation where the jobs are filled. Furthermore, other operational costs may be lower due to fewer regulations.
- But, there are not only benefits in this process; offshoring jobs also lend itself to problems such as lack of adequate oversight. On numerous occasions, it has been found that businesses operating in one nation are affiliated with operations in another nation that act unethically or even criminally. The company that sent the jobs offshore generally claims to be unaware of such practices. Whether this is true sometimes this may not matter to consumers, sometimes they may refuse to continue supporting the company.

In conclusion, it is clear that the process is not taking place in the best way possible, as it can be seen, there are not a few problems which offshoring in textile industry is causing, although there are so many benefits for both develop and developing countries. This process has to be done in a different way, in which both parts of the process can take advantage, reducing those problems mentioned in the project (improving workplace, worker's rights labour, , reducing child environment) The awareness of society, especially consumers, must play a key role, following the steps that NGOs already did, can lead to important changes in the way that the process is done so far.